



STRONGHOLD ENGINEERING, INC.

Corporate Office:

2000 Market Street, Riverside, CA 92501 • Tel (951) 684-9303 • Human Resources Fax (951) 367-4614

December 5, 2017

VIA FACSIMILE (916-227-6299)

& OVERNIGHT MAIL

Jill Y. Sewell

Office Chief

Program/Project Management & Office Engineer

Construction Contract Awards

Division of Engineering Services

Department of Transportation

1727 30th Street, MS-43

Sacramento, CA 95816-8041

Subject: Department of Transportation

Contract No.: 04-3G3644

Project: For Construction on State Highway in Contra Costa and Marin Counties at the
Richmond-San Rafael Bridge
Bid Clarification of Stronghold Engineering Incorporated

Dear Ms. Sewell:

In response to Stronghold Engineering, Inc.'s ("Stronghold") bid on the above Contract, the California Department of Transportation ("Caltrans") sent a letter on November 29, 2017, inviting Stronghold to direct any questions it may have to Mulissa Smith, Contract Awards Branch Chief, at (916) 227-6228. Stronghold spoke to Ms. Smith and was advised that we may submit correspondence to you for an independent review of Caltrans' position as articulated in the November 29, 2017. Attached please find Stronghold's letter that was sent to the Caltrans Office Engineer, pursuant to the bid documents, on December 4, 2017.

In sum, Stronghold requests that you review and confirm that Stronghold provided all of the information required in the bid documents, including without limitation, a price for all of the work, a listing all subcontractors in compliance with the Subletting and Subcontracting Fair Practices Act, and compliance with listing DVBE participation for the Project. We note that the California taxpayer is the only party that will suffer in this case, in that the next bidder was approximately \$3 million higher (approximately 30%) than the responsive Stronghold price. We request that Caltrans reverse its prior communication and deem the Stronghold bid responsive.

Respectfully,

STRONGHOLD ENGINEERING, INC.

Beverly A. Bailey
President and CEO

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STRONGHOLD ENGINEERING, INC.

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2000 Market Street, Riverside, CA 92501 • Tel (951) 684-9303 • Estimating Fax (951) 684-3813

December 4, 2017

VIA FACSIMILE (916-227-6282)

& OVERNIGHT MAIL

MSC 43

Office Engineer

Department of Transportation

1727 30th Street, MS-43

Sacramento, CA 95816-7005

Subject: Department of Transportation
Contract No.: 04-3G3644
Project: For Construction on State Highway in Contra Costa and Marin Counties at the Richmond-San Rafael Bridge
Bid Clarification of Stronghold Engineering Incorporated

Dear Office Engineer:

In response to Stronghold Engineering, Inc.'s ("Stronghold") bid on the above Contract, the California Department of Transportation ("Caltrans") sent a letter on November 29, 2017, advising that it believed Stronghold's bid was non-responsive because the percentages listed for subcontractors related to the subcontractor's percentage of the total Stronghold bid price. As a result, Caltrans asserted that it was unable to determine the actual percentage of work to be performed by the subcontractors. Caltrans invited Stronghold request to extend its bid while working to resolve the non-responsive finding. This letter is to clarify that Stronghold's bid does reflect the amount of work to be performed by subcontractors and is therefore responsive. Further, Stronghold requests a further extension in the bid and that Caltrans ultimately award the Contract based on Stronghold's bid.

Stronghold listed five subcontractors in connection with its bid, pursuant to the listing requirements of the Notice to Bidders and the Subletting and Subcontracting Fair Practices Act ("Subcontractor Listing Law"). For each Bid Item work scope to be performed by a subcontractor, Stronghold listed, as Caltrans noted, the percentage of the value of the entire bid price by Bid Item. By quick calculation, the information that Caltrans is seeking – the amount of the bid item that each subcontractor would perform – is also reflected in the Stronghold bid. All that must be done is to multiply the listed percentage by the total bid price and divide that number by the particular bid item price. For example, for Statewide Traffic, the calculation is $(1.09\% \times \$10,950,000) / \$280,000$. Accordingly, the information that Caltrans declared missing and on which the declaration of non-responsiveness was based, is actually reflected and included in the bid.

The precise calculations are reflected in the following table.

Bid Item	Subcontractor and Work Scope – From Bid	Listed Subs -- % of Total Bid Price (\$10,950,000)	Percentage of Bid Item Work
4	Statewide Traffic Safety and Signs Inc. – "Traffic Control Systems"	1.09%	42.6%
16	Tesco Controls, Inc. – "SCADA System"	4.93%	59.65%
15	CommWave Networks, Inc. – "Cable Layout Installation – Fibre Optic Cables"	0.62%	2.5%

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15	Anderson Nu Power Co. Inc. - "Cable Layout Installation"	2.74%	11.1%
10	Power Testing and Energization - "Substation 1"	0.16%	1.8%
11	Power Testing and Energization - "Substation 2"	0.16%	2.16%
12	Power Testing and Energization - "Substation 3"	0.16%	2.16%
13	Power Testing and Energization - "Substation 4"	0.16%	1.8%
Total:		10.02%	

Caltrans also noted in the Notice to Bidders that "[t]he Department establishes no DVBE Contract goal but encourages bidders to obtain DVBE participation." Further, the Contract directs bidders to list DVBE participation regardless of percentage of work. (See Special Provisions, § 2-1.15C(1).) Here, Stronghold complied with that requirement as well, by listing the following subcontractor for its DVBE participation.

The whole purpose in Stronghold's statements of percentages in terms of the total bid price was to reflect compliance with the DVBE listing requirement and to demonstrate that Stronghold made a good faith attempt at DVBE participation, pursuant to the Contract requirements. Moreover, Stronghold's bid actually makes the total DVBE participation more readily calculable. Caltrans can see that by simply adding the percentages listed on the bid provides the total participation based on the full bid price, or in this case, 10.02%.

In sum, Stronghold submitted all information in its original bid to comply with the Subcontractor Listing Law and the Bid Instructions, and therefore, because it was \$3 million lower than the next low bidder, Stronghold should be declared the low bidder and awarded the Contract. We look forward to a favorable determination, and please do not hesitate to contact me if you should require additional information.

Respectfully,

STRONGHOLD ENGINEERING, INC.

B. Bailey
Beverly A. Bailey
President and CEO

cc: Mulissa Smith, Contract Awards Branch (via facsimile)

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